DECEMBER, 1956

Manage



- HOW POWERFUL IS RUSSIA?
- PROFIT FROM BRAINSTORMING
- HEART ATTACK ... THE CAUSE
- MASS TASTES AND INDUSTRY

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Much of the success of this system of ours depends on the development of the finest kind of industrial leadership and it is here that The National Management Association is uniquely and completely well qualified to get good results. From its very inception some 30 years ago it has worked diligently to provide better leadership in industry, to promote unity and co-operation among people in management.

The NMA cannot, of course, help to improve men without considerable desire and effort on their part, but it CAN and DOES provide the finest kind of time-proven opportunities for this improvement and it aids substantially in many ways to see that this improvement is attained

Better leadership in industry means happier workers and better products, and these in turn help further to show the great advantages of our American business system.—Ray A. Arduser, Superintendent, Farley & Loetscher Mfg. Co.

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Manuf consumer color and 29. THERE have been a great many changes made in this issue; among them are changes in artwork and headline styles—and of course, the cover. Subsequent issues of MANAGE will, we hope, show continued improvement; to paraphrase a New York Times' slogan: We will put more into it—You, the subscriber, will get more out of it.

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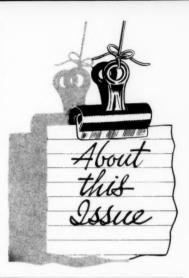
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tion. Bulk Incidentally, the Washington Reports column, the most timely item in MANAGE, has been moved to the front of the magazine where you can get to it first; but all the regular—and NMA—columns and features remain in the back of the magazine.



Index on Back Cover

Robert Fowler, a member of the Lockheed Management Club and a staff member of the Lockheed Training Department at Lockheed Aircraft Corp., Burbank, Calif., is the author of the lead article beginning on page 10, "More Heads Are Better Than Two"—or, how to get the most out of group brainstorms.

A timely article, "Russian Potential," appears on page 18; written by Arthur S. Barron, an editor of the Management Survey Division of the Research Institute of America, the piece considers the present and future of USSR industry.

There has been much talk lately of heart attacks, and there have been many articles written about them, but to help clear the air on the subject, MANAGE is publishing an article, "Heart Attack," by the foremost authoritative source, the American Heart Association.

Manufacturing is being influenced, more and more, by the dictates of consumer ideas on what is good taste—not only in functional design, but in color and esthetic "shape." "The Changing American Taste" begins on page 29.

-THE EDITORS



SPEAK UP, MANAGEMENT

This era may be known to history as the age of self-conscious management men. There is much introspection and self-analysis but far too little physical acceptance of the challenge of management leadership in local, state and federal government affairs.

That is an unfortunate situation, since the management profession is the only really great reservoir of experienced leadership talent that the country has.

And if management does not accept the challenge of the opportunities to lead in government affairs, less capable leaders from groups not working in the best interests of free enterprise may quickly grab the chance to mislead through government.

If any government is ever really corrupt, it is the fault of the leaders of the people for not being vigilant—and for not taking their leadership responsibilities seriously.

This, too, is the age of the overworked executive who badly needs competent men to whom he may delegate some of his load of responsibility. He actually doesn't have the time to take the active interest in government that he should, but even that is not completely a valid excuse. Why work so hard to make a company successful if no one is around to profit from it?

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The future is promising because the supply of executive-caliber managers is increasing. And supervisory management is learning civic leadership as it learns its business of managing people and materials. The two responsibilities—leadership for good government and business-industrial management—go hand-in-hand.

Tomorrow promises to be an era of well-rounded management leadership—providing, of course, that we get safely through this period of self-consciousness.

* * *

CONCEPT OF PROFESSIONAL MANAGEMENT

The management profession has had its own segregation problem, but progress in management comes more quickly than in sociology.

Forty years ago, foremen were neither labor nor management. They were for the most part frustrated men whose supervisory responsibilities had far outrun their supervisory abilities. Then the foreman became a professional foreman, and eventually he became a "representative" of management. Today the foreman is a part of management. He is just as much a member of management as if his title were vice-president or general manager. What he lacks in policy-making authority, he more than makes up in labor relations direction. The foreman is the key management man in industry's link between policy and production. No member of management is more important, and few have equal responsibilities.

NearSims



Washington Reports..

...for supervisors

by Samuel Irish

The government of the United States has given official recognition to a fact that supervisors have known all along: Foremanship is a critically important job.

The Labor and Commerce departments have jointly issued an official list of "Essential Activities and Critical Occupations" for use by the Defense Department in dealing with requests for delay in recalling reservists to active duty and by local draft boards in occupational deferment cases. Forement occupation on this roster.

They are described as follows:

FOREMAN (Critical Occupations Only):

Supervises a group of workmen engaged in a critical occupation; interprets blueprints, sketches, written or verbal orders: Determines procedure of work, assigns duties to craftsmen, and inspects their work for quality and quantity. May keep time, production, and other records; employ, train, and discharge workers; assist subordinates during emergencies or as a regular assigned duty. Sets up or inspects equipment preparatory to regular operators and performs related duties of supervisory or minor administrative nature. Must be skilled in the particular craft in which he functions.

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Stated purpose of the list is "to assist in the equitable distribution of manpower between the Armed Services and that required for defense production and the civilian economy." It was prepared on the recommendations of an inter-agency committee of the Defense, Interior and Agriculture departments, as well as Commerce and Labor, and the Selective Service System.

To qualify as an "essential activity," the activity must be one which is:

ONE—Necessary to the defense program, or to basic health, safety, or interest;
TWO—Inadequate to meet defense and civilian requirements because of manpower shortages or for which the future manpower supply is not reasonably assured.

Thus, under these two criteria, neither the commercial aircraft industry nor oil production and refining are on the list, although "production, maintenance, and repair of military aircraft and component parts" is in lead-off position.

To make the grade as a "currently critical occupation," a job situation must be:

ONE—Under the foreseeable mobilization program an over-all shortage of workers in the occupation exists or is developing which will significantly interfere with effective functioning of industries and activities.

TWO-A minimum accelerated training time of two years (or the equivalent in work experience) is necessary to the satisfactory performance of all the major tasks found in the occupation.

THREE—The occupation is indispensable to the functioning of the industries or activities in which it occurs.

BUSINESSMEN IN GOVERNMENT JOB-RATED

 $\underline{\text{In}}$ $\underline{\text{years}}$ $\underline{\text{past}}$, some businessmen have spoken somewhat $\underline{\text{slightingly}}$, to say the least, of the

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isicular industry, ability, and integrity of government workers as a group. And during the late-lamented campaign the activities and alleged influence of businessmen in the Eisenhower Administration were among the hotter issues.

In the post-election calm, relatively speaking, an objective study of the need, and success, of businessmen in government is under way. The Harvard Business School Club of Washington has sent a questionnaire to several thousand selected government career employees for an evaluation of the performance of businessmen under, over, or with whom they have served.

Also, and perhaps more basic to the survey, the Harvard study group is seeking information from the largest possible number of business executives who are now in government jobs, from those who have held them in past years, and from others who have been asked to serve but declined.

The results of the individual case studies will be useful to government officials for recruiting executive talent, and also to business executives themselves in deciding whether to serve, and in their relations with their government and its career employees when they do serve.

As a point of departure, the questionnaire to career employees states:

"Assuming that a present annual salary income of \$15,000 or more in a position of managerial responsibility in private industry qualifies a person as a businessman..." and goes on to ask for a rating on how well the businessman delegated responsibility and authority (separate questions, significantly), to what extent he demonstrated ability to make decisions, how he accepted responsibility for mistakes of others without "undue recrimination," how well he got people to work together, and so on.

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Supervisors might think about how they would be rated by their subordinates and associates, as well as by their superiors, on the same basis.

HARD-WORKING SUPREME COURT

With Congress out of session until the third of January, and the Executive agencies marking time until after inauguration on January 20, the third branch of the government, the courts, is the most active.

The Supreme Court is of course the only one established by the Constitution, and hence is on a basis of parity and equality with Congress and the President.

The present term of the Court began in October with President Eisenhower's third appointee to it, 50-year-old William J. Brennan, New Jersey Democrat, taking the place of ailing Justice Sherman Minton.

Among the near-record 500-odd cases before the Court were several of immediate importance to supervisors.

One such was the hangover from last year involving the "harassing" tactics used by the old CIO Textile Workers to bring the Personal Products Corporation, of Chicago, to terms. The National Labor Relations Board had banned such alleged union tactics as slowdowns, unannounced walkouts, and refusals to work overtime, but the Board was overruled by the Court of Appeals.

Another case of prime interest in the pre-election season was the indictment of Walter Reuther's United Auto Workers Union on charges by Michigan Republican leaders that the union had used its funds directly to buy TV time for Democratic candidates. At issue was interpretation of the federal law that says a union can't contribute or spend union money in political campaigns.

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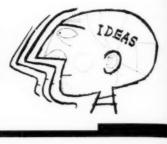
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MORE

HEADS ARE BETTER THAN TWO



by Robert Fowler

M ANAGEMENT today is rephrasing that overworked adage: "Two heads are better than one." This is happening because supervisors are developing an increased awareness of the value of techniques which may be used to tap the creative ability of their subordinates.

This is not a new concept. One of the principles stressed in most human relations training is that it is desirable to enlist employee participation in the decisions which may affect the group as a whole. What is new is that more effective ways of doing this are now being used by many supervisors in all types of business and industrial activity.

Probably the best known of these improved techniques is "Brainstorming." It is not something entirely new, as it has been used extensively in the advertising agency of Barton, Batten, Durstine, and Osborn for many years. Alex Osborn, one of the partners of the firm, has developed a deep interest in the general field of creative thinking and has been responsible for the great amount of attention the "Brainstorming" technique has received recently. He has written several books on the subject, and sponsors "The Creative Educand sponsors "The Creative Education Foundation" which is devoted to the advancement of research in this field.

"Brainstorming," as the word implies, consists of literally storming a problem with as many different solutions as possible in the time available.

Mr. Fowler is on the staff of the Lockbeed Aircraft Corp. Training Department, Burbank, Calif., and is a member of the Lockbeed Management Club. The control of the co

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The optimum number of participants in a brainstorm is somewhere between eight to 12; more are unwieldy, and fewer will not be productive enough. A group of this size, meeting to develop solutions for a problem through the usual conference method, could normally be expected to spend a large amount of its time arguing the merits of the solutions proposed. This will often result in a compromise solution that is acceptable to all, but only marginal in terms of quality. This possibility is reduced in "brainstorming" because of the firm ground rules set prior to the session. These rules are:

ONE—Evaluation is ruled out: Criticism of ideas must be withheld until later.

TWO — "Freewheeling" is welcomed: The wilder the ideas the better; it is easier to tame down than to think up.

THREE — Combination and improvement are sought: In addition to contributing ideas of their own, participants are encouraged to improve on suggestions of others or to combine two or more ideas into a better one.

FOUR—Quantity is wanted: The greater the number of ideas, the more the likelihood of good ones.

These rules are most certainly a radical departure from those most of us are accustomed to. Supervisors may find Rules One and Two particularly difficult to accept. These

are truly the heart of the process, however, and must be observed if a "brainstorm" session is to be successful.

Many of you, I suspect, have been in problem-solving type conferences and have had the experience of hearing one of your ideas torn to shreds by others who had their own suggestions to promote. It is very probable that, at that point, your interest in the problem and your participation in the conference considerably diminished. Rule One not only eliminates the time devoted to non-creative activity; it does away with the ego-smashing effect of criticism. When we know that the ideas we submit will be given impartial consideration, we are normally more highly motivated to suggest more of them.

"Freewheeling" is something that is difficult for most participants to adjust to—especially because of the "low gear" pace which is set in most conferences. We are by nature practical creatures and hesitate to suggest ideas or solutions that cannot obviously be put into operation. Besides that, we are used to having such things laughed at, and we don't like it. With this type of conditioning it is understandable why the pace of some conferences is intolerably slow.

It may take several sessions for participants to become real "freewheelers," but once they do, the increase in ideas developed will be almost spectacular. Undeniably, perhaps 90 per cent or more of these ideas may be completely wild, but the quality and the uniqueness of the rest will more than make up for this apparent waste.

The extent to which participants adopt a free-wheeling attitude will determine largely how effectively Rule Three may be applied. Often, a wild idea which has no value in itself may suggest to someone else one which is both unique and practical. Participants should be assured that this is one situation in which it is perfectly all right to steal or adapt another person's idea.

Rule Four might well be looked upon as being the end product of the other three. It should, however, stand by itself and the leader of a brainstorm session should continually encourage participants to develop as large a number of ideas as possible.

It is evident that a brainstorm session conducted under these working rules will produce a great volume of ideas. In addition, good preparation and follow-up are essential if the best results are to be obtained.

The agenda is a feature of preparation common to all well-planned conferences. It identifies the problem, defines any limitations to be observed, and provides necessary background information.

Ideally, the agenda for a brainstorm session should be sent to participants several days in advance. This will allow them to accumulate ideas to bring with them and thus get the session off to a flying stant. Some leaders have found that it is very effective to set "idea quotas" for participants. This is accomplished by including in the agenda a statement asking each person to bring with them to the session at least five. or seven, or ten, or some other set number of ideas. Establishing a goal such as this has been found to be a highly-productive motivating factor. To insure that the ideas developed prior to the meeting are not forgotten, participants should be encouraged to keep notes.

An important aspect of "followup" of a brainstorm session is the collection of additional ideas. A phone call, a memo, or a personal contact a day or two later will result in the harvest of a number of good ideas which have occurred to participants since the session.

Another way of doing this is to send each participant typed minutes of the session asking them to add new ideas to the list developed in the session.

Creativity begun in the brainstorm session is continued in the follow-up process of evaluation, verification, and the selling of ideas. Evaluation (done by several of the brainstorm participants, or an entirely different group) should result in some additional ideas, and verification may include brainstorming of means of implementing a solution.

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with the job of selling an idea to the boss appreciates the importance of having as much ammunition as possible. Brainstorming may be used to develop novel and effective selling techniques.

There is virtually no limit to the types of problems which may be brainstormed. Here are examples of problems which have been effectively dealt with using this process:

Representatives of the financial operations department of a leading aircraft firm brainstormed the problem, "How can the company improve its profit showing for 1956?" In less than an hour, 125 ideas were developed. A high percentage of these were submitted to top management for serious consideration.

"How to develop and maintain interest in Civil Defense" was a problem successfully brainstormed by the representative of a plant security department.

Human relations problems may be handled as was demonstrated in a session dealing with "How to tactfully handle impractical ideas submitted by subordinates."

Engineers have brainstormed design features of products they were developing.

There are, of course, problems which are impractical for brain-storming. Generally speaking, it should not be used if: the solution is dictated by policy; the leader has already decided upon the solution; or the solution requires technical or other specialized knowledge which is not contained in the group.

The basic principles involved in brainstorming are not new, but they provide supervisors with still another effective way of giving recognition to the creative ability of employees. It should not be used indiscriminately—in patent medicine fashion—but should be regarded as a new and useful tool in industrial communication.

In a year's time, a single supertanker, the 84,730-ton Universe Leader, can bring to the U. S. as much crude oil from the Persian Gulf as 4.2 standard tankers, even though the big ship will have to bring the oil around the Cape of Good Hope—Business Week.

[&]quot;Yes sir," said the old man, "I'll be 90 tomorrow, and I haven't an enemy in the world."

[&]quot;A beautiful thought," said the visitor.

[&]quot;Yes, sir," went on the old man, "I've outlived them all."

Stay in focus and you'll avoid the short view



by Jack Curran

In Public or private—wherever supervisors, gather—there arise inevitably, numerous and loud complaints. Inevitably they are directed at company red tape and hamstringing restrictions called "company policy" and the undue caution and delays in obtaining decisions from upper level executives. The general idea, of course, is that the average supervisor could and would do better.

To be objectively fair, the complaints are not confined solely to the ranks of foremen, whether ordinary or brilliant, but are indulged in, too, by the rank-and-file—the average worker—convinced by inherent egotism that be could do better.

Given just half a chance—could the average citizen, could the average supervisor, do better?

More seriously-would they?

As a life-long worker in industry I've learned how wide a gulf exists between worker-foreman thinking and, by the same token, seen the equally wide gap between various

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levels of management thinking. There is not within management, let us say, the same close unity of purpose one can find in the average union local between its president and a lowly sergeant-at-arms. a broad division in the thinking berween a worker and foreman should exist is readily understandable. More perplexing, though, than the mere fact a difference does exist in the thinking of management's various levels, is the reason: WHY?-especially since more and more supervision is being moved up into frontline management positions.

Something happens to the thinking of a man who moves up—much like the attitude of a union shop steward who becomes a company foreman—not the obvious shift in allegiance and the manifold problems such a change demands, but a marked shift in both thinking and approach with each promotion to a higher level of responsibility.

Just as the foreman is quick to condemn the delays and seeming undue caution of top level executives in reaching decisions, he is equally guilty of the frequent complaint that top management is hard to reach or convince. . .

"I can't get management to give me a solid answer."

"Management keeps knocking down my suggestions."

"Management won't budget more money for my department."

The critical foreman then looks about him and finds other supervisors having little or no difficulty in getting their problems before upper management.

Why are there long delays in upper level decisions? Where and what is the key that unsnaps the lock of managerial relations? How can some foremen work harmoniously with upper management and others get nowhere?

The answer is ridiculously simple—perhaps that is why the average worker rather than the average management man can so often come up with it.

PHYSICIAN, HEAL THYSELF!

For instance, a sensitive worker, one having a sharper perception than his co-workers, might find his foreman's attitude toward him differs from that foreman's attitude toward his fellow employees. Perhaps the boss is frequently curt or in various little ways tends to exhibit a brusque and unfriendly attitude. The unthinking worker will shop about for a transfer. Barring personal dislikes over which the worker or foreman have little control, the sensitive employee should take an inward look at himself; analyze his own attitude toward the foreman; his attitude at his job-he'll objectively appraise his own job performance and honestly try to find within his own sphere of working activity where the fault lies. The important thing to remember is that inward look.

There are too few foremen and workers, apparently, taking that inward glance—which may be why there are so many average workers and supervisors rather than exceptional ones.

I've seen them come and go in my 25 years within industry—supervisors a dime a dozen—the warts, the weasels, the schmees, the beavers, the halt, the blind and mentally maimed, the sharp ones, the dull, the efficient, the unreasonable ones and the sympathetic. Some of them learned and moved up. Others couldn't learn and remained in their little niches—still others wouldn't learn and were dropped by the wayside.

The supervisor who criticizes what are to him the needless delays in upper-level decisions, while a part of the management team, has yet to learn that the managerial field in which he finds himself is a bewildering paradox. He must learn that surprisingly the man straddling the top rung of the managerial ladder is actually more easily expendable than himself at the bottom rung. He must yet learn that at the supervisory or department head level the executive can afford to make more mistakes and exercise poor judgment. The higher one goes the less margin exists for error-your batting average for right decisions must be high.

What could the inward glance reveal to the foreman who can't get the ear of upper management?

Contrary to the conviction that he is constantly slighted and unrecog-

nized, the fact might well be that upper management has an eye right on him and may be all too acutely aware of his existence. The company may have discovered his attitude—a daily performance played on the industrial gridiron—not for the benefit of the entire team, but for the spectators in the upper stands. He might have revealed himself to management as one who looks upon foremanship as a stepping stone rather than a proving ground.

Despite the millions of words written and printed concerning the science of management, the type of foreman who becomes a "short view" opportunist is quite common—in my industrial years I've worked for him with unpleasant frequency—and his failing is compounded of misdirected and consuming ambition, and a tendency to hold lightly one of the basic tenets of foremanship—patience.

His envy of the foreman who works compatibly with upper management is also misdirected. The men he is certain are "browning" or "have an in" have learned, perhaps, the hard way, that there is no substitute for having one's eye on the ballfront and center-rather than up-They may not have come consciously to regard their jobs as proving grounds, but rather approached the promotion to supervisor with the fixed idea that it might be as far as they could ever go-and they bent to it with the willingness to do the best they could for as long as they could.

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"It's the latest thing—a vibrationless pneumatic hammer!"



RUSSIAN POTENTIAL

by Arthur S. Barron



A Clear Assessment of a Complex Question

Arthur S. Barron is Assistant Editor, Management Survey Division, Research Institute of America. OBSERVERS of the Russian scene tend either to minimize unduly or to exaggerate Soviet power. Wishful thinkers describe the USSR as a colossus of clay. Alarmists see her as an invincible juggernaut.

Both of these images are dangerously incorrect. Like any potential enemy, the Soviet Union possesses capabilities which threaten our national security—and vulnerabilities which enhance it. In the area of basic resources, such qualities are particularly apparent.

Land, raw materials and population are the basic resources of a nation. They determine any country's economic potential, and should not be confused with actual achievements—armaments, industrial output or food production and the like which measure the development of an economy rather than its potentiality. While the latter are important, the resources are the foundation on which all economic development is based.

Soviet resources are impressive and provide the Soviet state with much of the wherewithal needed to achieve far less with th States. terials United surpass our stre

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her ambitious goals. But they seem far less imposing when compared with those available in the United States. Although Soviet raw materials approximate those of the United States (and in some cases surpass them), they do not match our strength in land and population.

A look at the relative strengths of the U.S. and the USSR in such basic inanimate energy resources as coal and petroleum, for instance, shows the U.S. with 39 per cent of the world's coal reserves; the USSR, 24 per cent. In oil, the USSR holds a slight edge with an estimated 37 billion barrels in reserve to the U.S.'s 35 billion. But reserves of such crucial industrial minerals as copper, lead and iron ore are nearly the same in both countries. Altogether, the U.S. is believed to possess 29 per cent of the world's inanimate energy resources as compared to an estimated 24 per cent for the Soviet Union.

In the matter of scarcities, both countries have insufficient quantities of industrial diamonds, natural rubber and quartz crystals. However, the similarity ends here.

In the all-important production of steel, the U.S. produces less than 10 per cent of the world output of nickel, probably the most essential of the steel alloys, while consuming much more than half. The USSR produces 86 per cent of its own nickel requirements. We import 90 per cent of our chromite, a leading alloy in stainless steel, and manganese, indispens-

able in the production of openhearth steel, while the Soviet is the world's largest producer of these metals.

On the other hand, our resources of bauxite (aluminum ore), important in airplane production, are more than twice as large as those of the USSR. Our supply of the tungsten used in high-speed cutting tools is good, while the Soviets possess only meager quantities.

In sum, both countries are immensely rich in raw materials but neither has clear superiority over the other.

What major differences there are in raw materials must be found not in physical endowment but in other related factors, such as the probability of discovering new materials. Here the Soviet nation is in a better position. Since only a little more than 65 per cent of the Soviet land mass has been subjected to geological survey, it is likely that vast new stores of mineral riches will be discovered in the USSR. It is far less probable that it will happen here. Also, Soviet mineral consumption requirements at present are not as great as ours. Based on hypothetical demand data, it is calculated that U.S. mineral needs are at present two and a half times as great as the Soviet's. The differential will undoubtedly persist until Soviet output begins to match ours. In a totalitarian society, moreover, high production costs do not necessarily preclude an attempt to gain self-sufficiency in raw materials. In a free economy, concern for profitability often makes the development of marginal extractive industries impossible.

Two important factors, though, work to our advantage—transportation and technology. Soviet raw materials are widely scattered over the vast land mass of the USSR, with many of the more important reserves located in Siberia and other areas far removed from Soviet industrial and population centers.

Soviet transportation facilities are inadequate for moving raw materials the huge distances required. In addition, extractive technology in the USSR is far inferior to ours. For example, the USSR does not yet employ methods for processing oxidized copper ores which are already standard in the United States.

In a recent speech before Soviet industrial leaders, Premier Bulganin admitted that in 1954 fully 36 per cent of the ferrous metallurgical industry was non-mechanized. Our technological superiority in metallurgy constitutes a huge advantage.

Surprising as it may seem, the U.S. enjoys a significant advantage when it comes to land resources. Although the Soviet Union is the largest nation in the world, occupying more than one-seventh of the earth's surface or roughly three times the area of the United States, factors such as climate, drainage and soil are of equal or greater significance.

The Soviet climate, closer to the Canadian than to our own, is largely unfavorable to farming. Thirty per cent of the entire Soviet territory is completely barred from agricultural use by excessive heat or cold. Much of the land in the remaining area is not cultivatable. Altogether, about 10 per cent of Soviet land is arable. Even the "black earth" land suffers from lack of adequate rainfall.

These adverse climate and soil conditions do much to equalize the comparative position of the United States despite the size difference. For all her great mass, only 555,600,000 acres of Russia's land is arable. The United States, with less than two billion total acreage has 454,900,000 acres of arable land-less of a difference than one might expect glancing at their relative sizes on the map. When the larger Soviet population is considered, the U.S. actually has more arable acreage per capita. Add to that our significantly greater productivity per acre and we see why, although our food consumption is greater, we are seeking to reduce crop acreage, while the Soviets are deperately seeking to increase it.

The Soviet attempt to increase land potential through plowing the so-called virgin-soil areas in the Volga basin and Central Asia, through vas irrigation schemes and through creation of forest shelter-belt areas has met with some success.

In his report to the recent Congress of the Communist party, Nikin

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Khrushchev reported that 24 million new acres had been plowed as part of the virgin-land program. The new Five-Year Plan calls for the addition of six million acres through various irrigation schemes.

No matter how successful these plans are, it is unlikely that the Soviets can match our basic land potential. American crop acreage could be expanded 135 million—far surpassing even the most grandiose plans of the Soviets.

In population resources, too, a marked Soviet advantage in size is counterbalanced by other factors. At 200 million, Soviet population represents 9 per cent of the world's total, and is 24 per cent larger than our 165 million. Moreover, it is a younger population, and the proportion of persons in the labor force is growing at a faster rate than ours. The Soviet labor force is more than a third larger than our own at present, and the differential is increasing. From 1950 to 1970, the number of Soviet persons in the working age groups will increase by 28 per cent. In the U.S., the increase will amount to 21 per cent.

The distribution of the Soviet labor force, however, is far less economical than ours. Half of the USSR labor force is employed in agriculture, compared to only a tenth here, reflecting greater American agricultural productivity and providing us with a significant industrial advantage.

In Russia, 50 per cent of the labor

force is made up of women over 15 years old; in the United States only 32 per cent of the labor force is composed of women over 14. In a period of crisis, therefore, we will be in a much better position to expand our working population through the employment of women.

The cohesiveness of the population is another consideration in a critical period. The Soviet Union is made up of 11 major ethnic groups representing 100 separate peoples. In all, about 200 languages and dialects are spoken. While Soviet nationality policy has wavered between liberalism and Great Russian authoritarianism, the emphasis has definitely been on the latter.

Potential nationality group discontent in time of emergency is a major liability in accounting Soviet population resources.

Labor productivity also provides a measure of the strength of a nation's human resources. By this standard, the United States is immeasurably better off. Conservative estimates place Soviet labor productivity at half of ours. At present, this difference in productivity more than counterbalances the Soviet's advantage in size.

On the other hand, the USSR is doing much to narrow this gap. Impressive advances have been made in mechanization and automation of industry and in the expansion of technological education.

Much to our consternation, for ex-

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ample, a Dallas oil firm recently sought to contract for the purchase of Soviet oil-drilling equipment because of its marked "superiority to our own."

British industrialists who have lately toured the Soviet Union report that Soviet steel mills challenge anything to be found in the West as far as technological innovations are concerned.

Soviet achievements in technical training have already been recognized as a major competitive threat. In 1954, the Soviet Union produced more engineers than we did; and the evidence indicates that unless vigorous steps are taken, the Soviets will continue to outproduce us in trained technical personnel in the future.

Taking a balanced view, it is clear

that Soviet strength in basic resources is impressive. The Soviet Union is rich in raw materials, population and —to a lesser extent—in land.

At present, Soviet strength in raw materials closely matches ours, and may even surpass it in the future. Soviet strength in population is less than ours, though time should close the gap considerably. In land resources, Soviet deficiencies seem so basic that it is unlikely the U.S. advantage will be minimized by future developments.

The Soviet Union, in short, is a formidable opponent, but by no means a more powerful one. Its fundamental weaknesses in basic resources are as apparent as its strengths—and it is to our advantage to understand them both.

Reprinted from CHALLENGE, the Magazine of Economic Affairs, published by the Institute of Economic Affairs, New York University.

The Carborundum Co. will increase its capacity for production of zirconium, a metal used in atomic reactors, to over 1,500,000 pounds a year with a new plant in Parkersburg, W. Va. The new plant will be operated by Carborundum Metal Co., Inc., a Carborundum subsidiary.

"The talent is available. It just isn't being applied as effectively as it could be."—Dr. Cledo Brunetti, director of engineering research and development, Mechanical Division of General Mills.

"Wise purchasing constitutes the major area of possible savings in cutting production costs." —George E. Stringfellow, senior vice president, Thoma A. Edison, Inc.

Kindness is one thing you can't give away. It always comes back.

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PERSONNE DEPARTMENT JOB APPLICANTS WAIT HERE & T. CALLAHAN PERSONNEL MANAGER MARREY

"I'm Tom Callahan . . . taking up a little collection for my daughter who's getting married."



Usually when we speak of a heart attack we mean an acute condition that doctors call coronary thrombosis, a sudden blocking of one of the coronary arteries—the arteries that supply the heart muscle with blood.

Although the heart attack itself is sudden, it is the result of a slowly developing disease process (atherosclerosis) of the coronary arteries.

Atherosclerosis is responsible for most heart attacks and for the chest pain called angina pectoris. It is a form of arteriosclerosis (hardening of the arteries).

In atherosclerosis, the passageway through the arteries becomes roughened and narrowed by fatty deposits that harden into patches along the inner lining of the artery. This process has been compared to the

This article was prepared by the American Heart Association. Copies of the article are available in a leaflet which can be obtained from your local Heart Association or from the American Heart Association, 44 East 23rd Street, New York 10, N.Y.

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Coronary thrombosis is what most people mean by a heart attack. When the artery channel has become narrowed by atherosclerosis, a blood clot may form in the narrowed artery to block the channel and so cut off the flow of blood to the part of the heart supplied by that artery.

When a clot (thrombus) cuts off the blood supply to a section of heart

muscle, the result is a heart attack—physicians call it a coronary thrombosis or coronary occlusion, or myocardial infarction.

The usual symptoms are:

Severe painful sensation of pressure under the

breastbone, often lasting for hours (mild attacks are sometimes mistaken for acute indigestion).

Sudden intense shortness of breath. Sweating.

Loss of consciousness (occasionally).

Luckily the coronary artery system has a lifesaving method of growth and repair. When some of the coronary arteries become narrowed by gradual development of atherosclerosis so that they cannot carry enough blood to the heart muscle, nearby arteries get wider and even open up tiny new branches to deliver blood

to the area of muscle that needs it. This is called collateral circulation.

This collateral or substitute circulation often develops while the main coronary arteries are becoming narrowed. This explains why many of us who have narrowed arteries are not troubled with angina pectoris or heart attacks. Once a heart attack occurs, the development of the collateral circulation may help the heart to mend itself.

When a clot suddenly shuts off the supply of blood to a part of the heart muscle, the central part of the area deprived of blood may die. The

affected area must heal to form strong scar tissue. At the same time, a new blood supply to the area develops by means of the collateral circulation just described.

Treatment is aimed at giving the heart time to mend itself. Even though

the patient feels well after the first week, he must continue to rest in bed or chair to give the heart time to heal.

The time required for the patient to get back on his feet will depend on the extent of the heart injury, the rate of healing, and whether or not complications develop. Although medicines are helpful, the patient's co-operation and understanding play a large part in his recovery.

Most patients are able to continue with their usual job once they have recovered from a heart attack. Some may have to make job adjustments

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of the Associaand changes in their manner of living. The patient who has had a heart attack is advised to:

Keep his weight down.

Eat frequent small meals rather than a few heavy meals (digesting a heavy meal makes heavy demands on the heart).

Get plenty of rest and take moderate exercise.

Avoid overexertion and overexcitement.

Sometimes a patient who has recovered from a coronary heart attack has anginal pains as described in the next section of this article. This is a signal for him to consult his doctor.

Angina pectoris is a severe chest pain that signifies that the heart muscle is not getting enough oxygen through its blood supply. It usually means that some of the coronary arteries have become so narrowed by atherosclerosis that they do not let enough blood through to supply the demands of the heart muscle.

The individual may complain of severe chest pain with a sensation of oppression under the breastbone or strangling. The pain may be accompanied by numbness and often spreads to the left shoulder, arm, or hand. This is a typical anginal attack or episode. It is usually brought on by effort or excitement or after a heavy meal. The pain does not last long. As a rule, it is relieved within a short time by rest or by nitroglycerine tablets.

Sometimes anginal pains occur in persons who have recovered from a heart attack. Sometimes they occur in people who never had a heart attack and who may never have one. However, chest pain may be due to other causes. It should always be reported to a physician.

The same process of collateral circulation that increases the blood supply to the heart muscle after a heart attack can also come to the aid of the patient with angina pectoris. Given time, some branches of the coronary arteries may enlarge and new branches open to deliver enough blood to the heart muscle to enable the individual to carry on his usual activities.

That is why most persons can be comfortable and lead productive lives even though they must cope with angina pectoris. Each case is individual and only the patient's own doctor can determine the course he should follow and the medicine he should take.

Regulating habits of life is important in controlling anginal attacks. Physician and patient must work out a program together.

As a rule, patients who have had angina pectoris should avoid overexettion, rushing, worrying, intense cold, and over-weight. They are advised to eat four small meals daily rather than three heavy meals, and should rest twenty minutes or so after eating.

Certain drugs are helpful too. The

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physician almost always prescribes nitroglycerine tablets. The patient is told to let a tablet dissolve under the tongue in order to relieve the pain of angina.

Often, if he expects to be in a difficult or exciting situation, the patient is told to take a tablet beforehand in order to avoid an attack of anginal pain.

HOW TO HELP IN CASE OF A HEART ATTACK

Call the doctor at once.

Help the patient take the position that is most comfortable for him. (This will probably be halfway between lying and sitting. He usually cannot breathe comfortably if he lies flat.)

Do not attempt to carry or lift the patient without the physician's supervision.

Loosen tight clothing such as belts and neckties.

See that the patient does not become chilled, but do not induce sweating with too many blankets.

Do not give stimulants such as whisky or brandy.

"One of the most tragic things I know about human nature is that all of us tend to put off living. We are all dreaming of some magical rose garden over the horizon—instead of enjoying the roses that are blooming outside our windows today."—Dale Carnegie

Statement required by the Act of August 24, 1912, as amended by the Acts of March 3, 1933, and July 2, 1946 (Title 39, United States Code, Section 233) showing the ownership, management, and circulation of MANAGE Magazine, published monthly on the 25th at Dayton, Ohio, for December, 1956.

1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, The National Management Association, 321 W. First St., Dayton 2, Ohio; Editor, Dean Sims, 321 W. First St., Dayton 2, Ohio; Managing Editor, William W. Keifer, 321 W. First St., Dayton 2, Ohio; Business Manager, L. E. Nangle, 321 W. First St., Dayton 2, Ohio.

2. The owner is: The National Management Association, a non-profit organization incorporated under the laws of the State of Ohio.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner. S/ Dean Sims, Editor.

Sworn to and subscribed before me this 21st day of September, 1956. [SEAL S/Ardel Follick, Notary Public. (My commission expires February 25, 1959)

Little-Big Words

Here's a test of your knowledge of big words that are made up of smaller ones. Under each blank space in each of the columns is a clue to the small words which make up the big word across the line. Fill them in and then turn to page 32 and see how well you did. The first one is done for you.

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2			
	(preposition)	(find)	(competent)
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	(equal footing)	(indefinite article)	(dog)
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	(noble)	(excess weight)	(personal pronoun)
5_			
	(domestic animal)	(male)	(vessel)
5_			
	(swine)	(sign of nerves)	(monarch)
	(canine)	(parent)	(sign of nerves)
3			
	(preposition)	(weed)	(lair)
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	(preposition)	(acquired)	(a number)
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V	(personal pronoun)	(to lose)	(rave)
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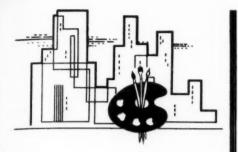
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Every Phase
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is Influenced
by the Dictates
of Consumer
Trends in Taste

The Changing AMERICAN

TASTE

AMERICA IS fast moving into an era of greater elegance in all fields of applied art.

There is a wide-spread desire to move away from the purely functional toward the more decorative, from the "only useful" to the esthetically satisfactory. Similarly there is also an urge to get rid of flashiness and gaudiness.

There seems to be some resistance to this trend on the part of a number of firms. Buyers complain that manufacturers think too much as "engineers." They fail to realize the trend calls for giving the designer equal importance with the technical people. Yet, general experience is that well designed products sell better—despite the price.

This change in taste is having a dramatic impact on consumers' preferences and consequently on sales. It is therefore essential to know what this shift in American taste means more precisely in terms of consumers' needs and preferences. Here is a general guide based on our findings:

Design: The younger generation demands great simplicity in design. The new ideal of elegance demands simple lines and shuns extravagance. It tends more toward graciousness than toward richness.

Color and color combinations:
There is a greater demand for color in all fields, including houses and appliances. There is a tendency to accept colors displayed by the big stores. What this probably means is that the average woman is uncertain about her own color judgment.

There are a few colors which women accept as "safe," such as aquamarine, yellow, pink, grey and beige. Beyond this, experimentation

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with colors is largely left to the stylists. There is, however, a resistance to harsh or "exotic" color combinations.

Materials: The resistance to synthetics has been broken in cases where the synthetics closely resemble conventional materials used in the past. What women seem to want in materials is a synthesis of yesterday and tomorrow. They want the convenience of the new fabrics and other materials which require less care than the old ones. But they also want to recapture time-honored esthetic values.

Structure vs. free form: In applied arts, structured form is still much preferred over the purely abstract and free form. The latter, however, is making headway but mainly as an "extra touch." Consequently it would suit products which have a playful or luxury character rather than more humble and more useful products.

Conformism and individualism: People want to do the correct, socially-accepted things, and at the same time there is a growing demand for individualism.

Women want to learn the right way to set a table, to match decorations, to combine styles correctly. They are eager to find out about the refinements of daily life. There is much to be learned and much to be done by manufacturers in this field of demand for every-day education.

At the same time, however, people are eager to affirm their individuality.

An ultra-modern object in the house gives a "correct" room an individual touch. A meaningful fact: there is a tremendous demand for monograms. People are willing to pay high prices for putting initials on their possessions.

Physical factors of modern living: Saving time and labor continue to be important factors. Two other recurrent factors are saving space and money.

One can quote many features of modern architecture. Decorative mouldings and twined woodwork are too expensive. Modern design eliminates the need for these furbelows. Therefore it is cheaper—and still the right thing.

Classes: In the opinion of art experts, the upper middle class experiences great difficulty in accepting modern art. They have pre-conceived ideas, and deplore "wild points of view."

In contrast, the lower classes have an open mind. They accept what is presented to them as art, or a new trend in taste.

Foreign influence: As far as taste and the good things in life are concerned, there is very little isolationism left in America.

There is a definite increase in wine drinking, for instance. Buyers attribute this trend to the great number of Americans who have been visiting Europe, where they are introduced to drinking wine with their meals.

Today's trend is for an expansion

of taste, an openness to new sensations and an interest in greater elegance and refinement.

The task of American industry and advertising is to understand and satisfy the needs of the new era. The market calls for products that will take care of the fast growing and sincere demand for greater elegance and individualism. It will combine the useful with the esthetic and will be recognized as both intelligent and refined.

A change in style and general taste is never an isolated phenomenon. On the highest level, the basic force responsible for the rapid movement of American taste is the evolution of our entire society to a new stage of its development.

Some time ago America conquered its geographical and in many respects its economic frontiers, and entered a more urban, more settled, more bourgeois mode of life.

Heroism, ruggedness, extrovert bragging, super-maleness, indifference to comfort and to refinement are much less necessary qualities in our daily fight for survival and success than they used to be. Instead, we rely on much more "civilized virtues."

The people of the United States are catching up with the changed realities of their civilization. Culture has become accepted. More than that, culture has become contagious.

There are a number of influences which promote and stabilize the de-

mand for esthetic values and elegance. Among them are:

- 1. The development of economic and psychological democracy. Large masses can afford not only the strictly necessary, but also "luxury." The average American has no inhibitions in indulging in the "superfluous."
- 2. The mass media. Magazines have done an outstanding job in publishing pictures and articles devoted to refining public taste. Television too, has great possibilities in this direction.
- Education. Art appreciation classes in schools are fast multiplying. More children are being brought to visit museums in school groups than ever before.
- 4. The war. Millions of young Americans experienced the taste of mellowed civilizations both in Europe and in Asia. And the armies in World War II had "special services" directing the attention of the soldiers to cultural values.
- 5. Extensive travel. Today travel is not a privilege of the leisure classes. Experience shows that most people palpably improve their tastes during visits abroad and then they try to keep up with the demands of their expanded horizons.

The whole contemporary esthetic trend will increasingly influence the competitive efforts of American industry. When physical differences among products are negligible, it will be the product which first catches

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up with the esthetic demands of the public that will inevitably run away from the field.

Advertising must not only under-

score the new esthetic values of the product it sells but must in itself become an inviting and satisfactory experience for the reader.

A Domestic Tragedy

HERE IS the text of a letter received from a Servel refrigerator customer by Louis Ruthenburg, chairman of the board of Servel, Inc.

Dear Sir:

I think I have a legitimate complaint against your company. Some 20 years ago we bought one of your large coal-oil burning refrigerators. In fact, we sold a calf to buy it.

I'll never forget how proud I was of that box and how my neighbors came over to see this thing that you could build a fire under and get ice out of the top.

After living in the country for 12 years, we moved to town. I thought sure I'd get a new box, but found that for \$12 I could get it changed to burn natural gas. Then six years ago we moved back to the country. Ah, I thought, now I'll get my new frigerator. However, again I found that I could change to propane by replacing only the small jet.

My only expense on the refrigerator in all these years has been a pair of hinges and two door gaskets.

I never failed to read the beautiful advertisements in the magazines and I have longed for one of your new Ice-Maker refrigerators. Now my husband says I cannot have one until this one breaks down. So here is my problem: Is there anything I can do to this heirloom to make it quit freezing so that my husband will get me one of your new ones?

Here are the answers to the "Little-Big Words" game on page 28. 2—In-discover-able, 3—Par-a-pet, 4—Grand-fat-her, 5—Horse-manship, 6—pigs-tic-king, 7—dog-ma-tic, 8—over-bur-den, 9—for-got-ten, 10—i-tine-rant, 11—news-paper-man.

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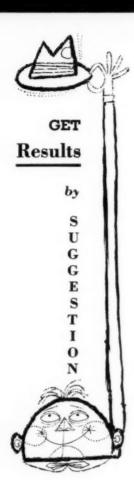
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"If you don't mind, Smith . . . the company would like to provide safety gear."



by Irv. Leiberman

WHEN H. J. Heinz saw poor workmanship, he never mentioned it. Instead, he pitched in and helped the workers a few minutes to show them a better way. This was one of the strategies by which he built the peddling of his mother's horse-radish into the famous *Heinz 57 Varieties*.

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Probably you've balked when ordered to do something. Yet, you agreed to it amiably when it was suggested. That's only natural.

Not many people take kindly to orders—even from someone they like.

An impelling leader like H. J. Heinz discovers how to make corrections without faultfinding or ordering. He knows sound arguments are the subtleties of the suggestive approach.

Would-be leaders often try too obviously to lead. They issue direct orders when they should plant ideas. Here is a case in point:

A company manufacturing an internationally-known line of hardware goods had for years led its field in sales. Then it lost its position.

As the company fell farther and farther behind, morale in the sales department went to pieces. Everyone began laying the blame on somebody else. Eventually most of the trouble was traced to the personality of one individual—the sales manager.

Blunt in speech and in manner, he ran his sales force with an iron hand. He made his men put on the 100q

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pressure until the company became unpopular with the customers.

After it lost its lead, this sales manager called a general meeting. Apologizing for being a poor speaker, he led off with his idea of a little joke: He threatened to fire the sales force.

The joke fell on a dead silence that turned into cold water. It preserved for the sales manager an unbroken record for saying the wrong thing at the wrong time.

The experience of this meeting awakened the company to a fact that holds true for all American business, from the smallest retail store to the largest manufacturing plant—a boss can make or break a concern.

So the company shifted the sales manager, who never should have been a top executive, and brought in a new man to head the department.

The new manager is a good example of what a top executive should be. He was the opposite of his predecessor in every way.

Frank and easy in manner, he was a capable speaker, and liked the limelight. Instead of applying pressure, he went out and showed the salesmen how to sell. He had a faculty of charming not only the customers but his staff as well, and found no trouble in getting good men to work for him. Sure of himself, he was careful to build up strong assistants around him.

Leo J. Nejelski, president of his own New York firm of management consultants, says that an important characteristic of a good business executive is, "that he knows how to lead people. First he wins their liking and respect, then guides and stimulates them in carrying out his own objectives. Yet his employees say: 'With him I can offer my two cents' worth without having my head chopped off.'"

Nejelski's method in doctoring the problems of businesses is based on the principle that, "the boss can't impose his wishes autocratically on the people who work for him and still get them to do their best work. He has to have willing acceptance. When this is the case, people will release their energies spontaneously."

Recently, a well-known manufacturer of drug products found the employees wrangling, passing the buck, knifing the company in the back, and slowing down work.

Probably the unhappiest people of all were the girls in the telephone order force. They manned a battery of switchboards and took 75 per cent of the branch's orders over the phone from retailers.

They should have been courteous and helpful; instead they were often snapping the customers' heads off.

Most of the trouble in one branch was traced to bad executive practices, particularly on the part of the general manager. He was a powerloving, dictatorial type of man, who

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felt inferior and always found it necessary to prove himself better than other men. He treated the women with contempt. Since 30 per cent of those responsible to him were women, this became a problem.

His answer to any organizational crisis was to issue a directive. When people didn't respond, he called them stupid and lazy.

He was asked to stop issuing directives, to call a meeting of the telephone order clerks and to get the girls' ideas on how to unsnarl the department. He thought such an idea preposterous.

He was surprised to find that a big part of the problem was solved as soon as the order clerks had a chance to express their own ideas on how to do the job.

BY capitalizing on suggestion, the impelling leader can get things done without saying a word. While walking through an office with the manager, he picks up a piece of paper which had missed the wastebasket. During the next minute half-a-dozen workers looked to see if they had missed their baskets. His suggestion was imitated more cheerfully than an order would have been followed.

The leader's example is often enough to inspire the desired conduct. John Wanamaker did not have to enforce rules about punctuality since he was always the first person at the store.

Demonstrations and reading can

be used to stimulate people and to plant ideas indirectly. The general manager of an Oklahoma chemical factory was an engineer in his early thirties, a comer. His subordinates were old enough to be his father, men who had grown careless and overconfident from long experience. They would have been irritated by direct orders from a youngster.

To wake them up and plant ideas for modernizing their work, George arranged excursions to other chemical works. He did not find open fault with the men. He was as amazed as they at the methods and housekeeping of other companies.

"I don't see how that company does it," he would say, "but if they can do it, I know you fellows can do it better."

Before his 40th birthday, George was vice-president in charge of half a dozen plants. His skill in planting ideas indirectly, without belittling the other person, pushed him to the top.

Modesty, too, is important in a good executive if he wants to have the co-operation of his co-workers. Doers are not boasters—they don't have the time. There are a few stuffed shirts who strut as though they had really done something. The bigger the man, however, the less he brags.

"You'd be surprised," says Charles L. Wheeler, executive vice president of Pope and Talbot, West Coast lumber and shipping organization, cember

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"at how much can be achieved if no one is concerned about who gets the credit."

A businessman's attitude toward his employees plays a significant part in making suggestions work. For example, one Cleveland, Ohio, businessman says: "Frequently I go into my store early in the morning or leave late at night when no one is there but the watchman. Tables are covered, lights are out. I see nothing but walls and merchandise. There are no customers. There are no employees. Just silence. At such times I realize with clarity what is less obvious in the bustle of the day. It is that property is not business. Business is a live, pulsating organization of people working in harmony toward a common end. And the man who leads them should think of his job as involving responsibilities to his employees as well as the stockholders.

"No employer has a right to hurt the pride of any person through belittlement, unfairness, or harsh reprimand. In recognizing his employees as human beings, a good business leader will realize that their aims in life are akin to his own.

"The greatest satisfaction I get from my own business is not the money I draw from it. Rather, it comes as a spiritual lift when seemingly unimportant employees, thriving under careful guidance and considerate treatment, blossom into persons of responsibility." Needless to say, this businessman has no problem getting his employees to follow a suggestion. Neither will you if you follow these rules. They will stimulate your employees to do a better job.

- People want to enjoy work. They
 do not work for money alone, and
 higher pay scales seldom smooth
 out bad relations.
- They want appreciation. When they get it, they react with spontaneous enthusiasm to their work. They need a deep and genuine feeling that what they are doing is worthwhile.
- They like a voice in plans. It's the same basic principle that seems to make everyone work harder in a democracy.
- 4. They must know job aims. They want to know what the company is trying to do. Then they want to know the limits of their own jobs and those of their superiors.
- They want respected leaders. They
 must be able to look up to those
 they work for and have the feeling
 that the boss will go out and fight
 their battles.

By applying these rules in the case of his own employees, every businessman can make himself a better boss and make the cash register ring louder and more often. He may also find that the method of making a suggestion instead of giving an order will take longer, but the results will be better and brought about in a more pleasant fashion.

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"Heard any good squelches lately?"



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HAVE Trouble

REMEMBERING

NAMES?

by Bob Helmer

Have trouble remembering

Then take these few tips from TWA Hostess Bettysue Tillman, for whom scores of passengers have written letters of commendation for her ability to remember their names. Sometimes she has as many as 81 passengers on her flights—but before their trip is completed she knows their names.

Bettysue, who is based in Kansas City, has been a TWA hostess since November, 1953. She had never previously shown special ability in remembering names. On her first flight, however, she observed that her hostess-associate remembered the names of the passengers whenever she talked to them. She then decided to remember the names of her passengers, too.

At first it was difficult. But each

flight became easier for her to remember names. How does she do it?

"Take a close look at the introduced person," she explained, "especially the facial features. Repeat the person's name aloud at least once or twice as soon as you can conveniently do so. Spell it to yourself like it sounds.

"Think in terms of having to introduce the person. It will help you remember his name. The more often you try this, the easier it becomes.

"This procedure is easy for me," she confided, "since I must ask the passenger his name in preparing the seat manifest. Then I add, 'Thank you, Mr. Jones' or whatever the name is. This is followed with 'Mr. Jones, where are you going?'"

Later, when she passes out gum or magazines, she always makes it a habit to mention the passenger's name as she addresses him. If she has a memory slip, she refers to her passenger manifest to help her recall the person's name. Sometimes the passengers exchange seats, hopeful that they will mix her up. "Sometimes they do, too," she admitted, "but not too often."

As the passengers deplane the men usually put on their hats. "This frequently changes their facial appearance." she said.

But the most interesting expression is the look of anticipation on the faces of some passengers as they are deplaning. Hearing her say "goodbye" to other passengers, and

mentioning their names each time, she said, "I'm aware that he is waiting to see if I'll remember his name, too. There's a big smile rewarding me as I do."

Typical of the letters of commendation that arrive at TWA's offices is this one:

"I was on Flight 441, Washington to Dayton. The hostess performed her duties well, as do all your hostesses. Then, and this is true, she actually called each passenger by name when they left the airplane at Columbus and Dayton. I was much impressed. I'm sorry—but I do not recall the girl's name!"

An awful stut-t-t-erer is Roberta Rowe; She has to carry a sign that says "No."

"The first industrial revolution took the load off men's backs, but the present industrial revolution is also taking the load off the men's slide rules and freeing their minds from the drudgery of long detailed calculations for more important conceptual functions."—Dean George G. Brown, University of Michigan's Engineering College.

When the lady who was making out the application came to the little square headed "Age" she didn't hestitate. She simply wrote "Atomic."

Joe: "Say, bud, what's that book you're readin'?"

Bud: "'What Twenty Million Girls Want'."

Joe: "Ha! Lemme see it-I wanta see if they spelt my name right!"

C. R. Smith, president of American Airlines, believes that the way to beat out a competitor is to buy a bigger and faster plane, and to buy it first. American has placed orders for 96 new planes worth about \$300 million. Among the orders placed by the airline are: 35 Lockheed Electra turboprop transports which will cruise at 450 miles per hour, and 30 Boeing jet airlines which will travel at 550 miles per hour and seat from 104 to 125 people.

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"Paper work to take home again tonight, Mr. Wilson?"

Discipline and Self-Discipline

- Do you know the contents of the company's handbook of rules and regulations?
- 2. Do you know the details of the trade union agreements with your company?
- Has a regular procedure been established in the company, governing appeals and requests made through shop stewards?
- 4. Do you know precisely to what extent you may take disciplinary action without reference to higher authority?
- 5. Is it clear under what circumstances employees' cases may be dealt with directly by the personnel department?
- 6. Do you consider the employee's personal background, length of service, etc., when disciplinary action is required?
- 7. Do you consider that length of service should be regarded as a mitigating factor when disciplinary action is required, or should such employees be dealt with more severely? Why?
- 8. Do you make sure that disciplinary standards in your own department conform to general standards throughout the company?

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- 9. What steps do you take to assist the aggrieved employee to appeal to higher authority?
- 10. Do you keep a record of disciplinary action taken against an employee, and are such records cleared after a fixed interval of time?
- 11. When certain regulations have tended to lapse, as so frequently happens, do you discuss with employees before re-establishing such regulations, and do you give proper notice before imposing new standards?
- 12. Have you carefully considered what categories require warning, mild reprimand, severe reprimand, suspension, etc., and are they uniformly applied to all employees?
- 13. Do you keep in close touch with the personnel department on all disciplinary cases within your own department, to ensure uniformity of applicatioh?

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TOO GOOD TO BE TRUE?

U. S. Prosperity . . .
Is It Genuine?

by Clinton E. Bernard

THE people of the United States are enjoying unprecedented prosperity. Their standard of living is far higher than any people ever enjoyed before in history.

Times are so good that some persons are worried. "There has been a depression after every major war," they declare, "and I don't see any reason why the old pattern should change. After business has been away up, it drops away down. Prosperity like this is too good to be true."

Twenty-six years ago a depression began in this country. One week the nation was prosperous; the next week it was in the throes of a financial panic. Banks were failing, factories were closing, businesses were discharging or laying off employees, planned improvements were shelved, worn and obsolete equipment was kept in service, although normally it would have been replaced by new.

Desperate millions were out of work, looking for jobs and finding none. Probably nobody starved, but certainly some went hungry. Many were angry and unhappy, because they had been living well and wanted to continue to live well.

What had happened? Too much speculation in the stock market was part of the answer; various other elements entered into the situation. The main reason for the depression, however, was that fear had replaced confidence. Money was "frightened" and went into retirement, even into hiding.

Why, since that happened before, should it not happen again?

Our leaders in business, labor, and government have not forgotten the last depression. They have learned

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many lessons from it. They have done much to prevent, or at least to soften, any such occurrence in the future. The people in general also have done much to improve their financial stability.

In 1929 there were 47,630,000 employed persons in the United States; in 1955, 69,692,000 (June figures). In 1929 the 121,000,000 individuals composing our population saved \$1,346,000,000. In September, 1955 our 165,000,000 individuals are saving at the rate of \$16,000,000,000 a year. The total annual income of the country in 1929 was \$87,355,000,000; in 1955 it was around \$300,000,000,000. The people have now liquid savings of \$352,000,-000,000, a reserve of wealth such as no nation or people ever even approached before.

Our workers are in a far better position strategically now than they ever were before. Favorable labor legislation, incomparably better wages, minimum wage laws, better labor contracts and benefits, at least the beginning of acceptance of the principle of the guaranteed annual wage, social security and other benefits for the older person-all these help to stablize the economic structure. Sick-leave pay, health insurance, disability insurance, and unemployment insurance give workers reasons for confidence.

Huge sums are being distributed to the people as a result of paid-up annuities. There are social security pensions for most workers who reach the age of 65, and company pensions for many millions. The stabilizing effect of all these is enormous and unprecedented.

One of our new industrial phenomena is that of stock ownership by employees. Nearly three hundred thousand employees of American Telephone & Telegraph own stock in the company.

MANY of our larger firms offer stock to their workers on very attractive terms. For example, a firm may pay as much as a third of the purchase price and also guarantee the buyer against loss. It is entirely possible that some companies (Sears Roebuck for one) will be largely employee-owned in the not distant future.

Several millions of workers who used to refer bitterly to company stockholders as "them" now refer to them fondly as "us." The prospering and stablizing effect of this new trend is so big that there is no appraising it accurately.

In 1929 most of the financial power of the country was centered in New York City. Any financial disturbance there—such as violent fluctuations in the stock market—had violent repercussions in the rest of the country. Now the government keeps a wary eye on the New York stock market and takes measures to prevent undue speculation and violent fluctuations. Besides, New York is no longer omnipotent in matters

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financial

asures to and vioew York matters of finance. The largest bank in the country is in California. The financial power has been spread out over the country to a considerable degree, and the results are good.

Fear has triggered virtually all panics and depressions. A rumor began that a bank was insolvent. Depositors started a run on the bank and broke it. The fear spread. But now the great majority of depositors are protected by insurance, so runs on banks have virtually ceased. Government bank examiners continue the practice of seeing to it that banks stay solvent and observe safe business practices.

Much has been done to improve the financial setup and promote continuing prosperity. There is growing confidence in the future, a feeling of confidence in the financial future. This promotes spending, a steady flow of dollars from the pockets of the consumers to the suppliers. The increase in business results in a larger take in taxes, which permits a lowering of taxes and a further stimulation of business.

All this is very much on the optimistic side. The greatest cause of optimism, however, is in the attitude of the people.

For years the majority of the people of the United States had a depression complex. They thought in terms of financial depression, and acted accordingly, although for a large proportion of them no depression actually existed.

During the mid-thirties the writer met a friend who was in the real estate business and asked how business was.

"Fine," the real estate man answered.

"Not as good as it was before the depression struck, though, of course?"

"Sure. Why not? The people who have money now are far better off than they were before the depression struck."

And the man was right. The depression was not a depression for all. Prices were very low. A little money would go a long way. For example, one make of car that is now selling for more than three thousand dollars could be bought for about eight hundred. Anybody who had a job, even a fairly good job, was better off than he had been during the booming twenties. Most of the depression was in the minds of men. Now that depression has been replaced by optimism, the financial picture improves.

Some nations, particularly those with an ideology opposite from ours, have been anticipating a collapse of our prosperity boom and are puzzled because it has not occurred. One of these nations sent a delegation here to find out why and how our farmers could and would produce an abundance of food year after year, abundance so great that disposal of

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the surplus is a difficult problem.

The delegation learned much about the human beings and the soil and the machines that contribute to such abundance, but still they were puzzled.

There seemed to be some hidden element in our operation that made our efforts more fruitful than theirs. When they left they were still groping for the reason for the difference.

Much of the answer is to be found in freedom. Those who put the state above humanity have little conception of the bountiful power of freedom. Here, such men as Edison and Steinmetz find a congenial soil in which their genius flowers. Their contributions to the prosperity of our people are incalculable.

Our economy encourages the genius of the free man, and profits from it along with him.

They err who call this a capitalistic economy. It has veered away from capitalism and is becoming a Christian democracy, a system so modern and so productive that old-fashioned exponents of totalitarianism cannot understand it.

The oldest form of government is the one in which the state is all and the individual nothing. The newest form is the Christian democracy, in which every person is important, in which every person may have utmost freedom so long as he does not infringe on the rights of his fellow men. Freedom to pro-

duce is a magic ingredient in our economy.

Another item in the creed of Christian democracy is that prosperity of the highest order must include mutual concern for the prosperity of all.

The old theory of capitalism was that the top man, the economic overlord, gave as little to his hirelings as possible and demanded as much as possible in the way of effort.

Even if he was growing rich, he did not raise wages unless forced to do so. On the face of it, the plan seemed perfect—for the overlord; actually, it was poor economics.

PEOPLE do not work well for oppressors. They never have done so and they never will do so. The modern way, the way of Christian democracy, is for the top man to pay his workers high wages so they can buy his products and make him rich. It works, as Henry Ford demonstrated.

Am I my brother's keeper? I had better be, if I want to prosper to the limit of my possibilities.

Optimism based on reason is good business. As purveyors of gloom and pessimism help to usher in depression and poverty, so the exponents of optimism help to assure continuing abundance for all. The attitude of the modern citizen of the Christian democracy runs about like this:

God is good. He is my Father; I am His child. His world is not hot-

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tile to me; it is friendly—as I am friendly to it. God loves and blesses me, His child. His blessings include abundance of all good things—as I have faith in His continuing generosity and love.

Reasonable optimism is good. Since it is good, one may not safely use it in a selfish way. The citizen of the Christian democracy visions and affirms prosperity and abundance for others as well as for himself. He is committed to the policy

of abundance for all. He is his brother's keeper, and he profits thereby in happiness and in cash.

There can be another depression, but there is no reason in heaven or earth why there must be. Those who believe in a kind God and live in harmony with this belief have every reason for being optimistic.

Our present prosperity is not too good to be true. Nothing is too good to be true for those who love God and obey His commandments.

Reprinted from GOOD BUSINESS magazine, January, 1956 issue.

"The condition upon which God hath given liberty to man is eternal vigilance; which condition if he break, servitude is at once the consequence of his crime and the punishment of his guilt."

-John P. Curran

"That government is best which governs least. The natural process of things is for liberty to yield and government to gain ground."

-Thomas Jefferson

"Private property, free competition, the right to make a profit, the right to save and employ your savings—the reward of skill and thrift—as you like, are all the rights of a free citizen in a free state."

-Francis W. Hurst

"They that can give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety."

—Benjamin Franklin

A Supervisor's Guide to Intelligent Labor Relations



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by James Black

"THIEF" IS AN UGLY WORD, especially on your payroll. For there is nothing more upsetting to the even flow of plant life than when an outbreak of petty stealing occurs. It's hard to control, it's difficult to end, and until the guilty person is discovered, everyone is edgy and uncomfortable.

Morale suffers and teamwork is destroyed. Each employee knows that some-body—maybe the man sitting next to him in the company cafeteria, maybe the fellow who rides with him in the neighborhood car pool—is a thief, a secret enemy who is unworthy of his trust and who is robbing him and his associates of their good names.

Each supervisor is on the spot. Perhaps one of the men whom he directs doesn't deserve his confidence. Suspicion grows like ragweed. The fellowship so necessary to an organized production effort is finished.

Yet the accusation that a man is dishonest cannot be a ping-pong ball lightly tossed around. It requires proof—proof positive. A reputation is at stake. That's why many a conscientious supervisor—even though he may be almost certain in his own mind of the identity of the culprit—hesitates to take steps. He can't prove it. And he doesn't want to cast doubt on an employee's character until the evidence is incontrovertible.

DEGREES OF STEALING?

Besides, there are degrees of stealing. "What's that?" you say, "Degrees of stealing? How can there be any difference between right and wrong?"

Think a bit! You may have a friend you would trust with your last nickel,

yet it was just yesterday he boasted to you he was "one up" on the bus company—the conductor forgot to collect his fare. Is he a thief? He doesn't think so.

And though you may question his ethics, neither do you. There is many a man who would quickly return an overpayment on his salary check who would be happy to pocket a similar slip by the Department of Internal Revenue on a tax refund—particularly if he was sure he could get away with it.

Yes, a multitude of "not strictly honest" practices are winked at or overlooked because they have become accepted as legitimate graft.

All this leads up to the case of a man we'll call Bill Hopkins who was fired from his company for taking some gasoline that didn't helong to him. Did he do it? No argument there. Hopkins got the gasoline. Only he called it "borrowing." And he said he "borrowed" with his supervisor's permission.

It all began with an anonymous letter to management claiming Hopkins had stolen gasoline. The accused was summoned to the personnel department. "Did you take some gasoline belonging to the company?" was the question bluntly put to him. "Yes," replied Hopkins. On this admission, he was sent home. Later he was notified he had been dismissed for stealing.

BAD BOUNCE?

Hopkins believed he was the victim of a bad bounce so he filed a grievance after his request for reinstatement had been denied. "It was not stealing," his union argued in his behalf when the case finally reached an outside arbitrator. "Hopkins was authorized to drive his truck onto plant property to get a load of cinders.

"He asked the foreman in charge of supplies for gasoline. 'I can't give you gasoline,' replied the foreman, 'but the keys are in the drawer.' This," said the union, "was indirect permission. Hopkins was not stealing."

Of course, the supervisor denied this conversation had ever taken place. If he admitted that it had, management would be clearly in the wrong. The supervisor was its representative and in charge of supplies. It was his responsibility to issue them only to properly authorized persons. Obviously, if he had knowledge that someone was helping himself to company property without permission and did nothing to stop it—and even went further and explained how it could be done—then he would be an accessory.

After all, the fellow who gives help on a school examination is just as guilty as his friend who receives it. Both are cheating. The fact that

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the "giver" receives no benefit from the act is not an excuse. So right away the arbitrator was faced with a conflict in testimony. He had to decide where the truth lay.

What kind of a man was Hopkins? Before you could arrive at even a tentative conclusion on who was telling the truth you would have to know something about the character of the accused. How did his record stack up? Had he ever been involved in similar situations? Was it customary for an employee driving his truck on company property to dip into the gasoline?

The union defended its member as follows: "Hopkins had no intention of stealing. He asked his foreman's permission to take the gasoline, and this was indirectly granted when the latter told him where to find the keys. He did not take much, just enough to get out of the yard.

"Besides, the procedure on how to get gasoline was not clear, and Hopkins fully expected to be billed for the amount he had obtained. Moreover, the employee frankly admitted he took the gasoline, so there was no attempt at subterfuge or deception.

UNBLEMISHED RECORD

"Hopkins had a five-year record with the company, unblemished by disciplinary action. The penalty he received was altogether out of proportion to his offense."

The company had a different story. The discharge was justified, it argued, on the grounds that Hopkins stole the gasoline; that severe penalties have to be used to put an end to pilfering. The procedure for borrowing property of the company was clearly defined, said management, and Hopkins knew it. What's more, Hopkins could not have seriously thought he would be billed for the gasoline since there was no way of knowing how much of it went into the tank of his truck.

Finally, remarked the company, Hopkins did not implicate his supervisor until he had been told he was to be discharged for his offense, and the supervisor had denied all knowledge of the incident.

The arbitrator listened and gave his decision. He made eight telling points. Here they are:

ONE—Discharge for stealing requires proof beyond reasonable doubt.

The company has a heavy moral responsibility in a case of this kind, observed the arbitrator. Stealing involves an unfavorable reflection on an employee's moral character which is difficult to erase, and which will seriously hamper, if not prevent, his chance of getting work elsewhere.

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It even hurts the innocent members of his family. If a man is guilty of stealing he should be discharged to protect the company, the employees, society itself. If the company cannot prove its case, the employee must be reinstated.

TWO—The offense of stealing has two elements: (1) The ACT of taking property and the INTENT to use the property without adequate payment.

Since the company itself set up procedures by which its employees could take property, it is clear that the act of taking property is not, in itself, stealing. Hopkins entered the plant grounds to get a load of cinders, but he was not accused of stealing them, because he was authorized to do what he did. This means that stealing requires not only the act of taking property, but also requires criminal intent. Did the company prove criminal intent in the matter of the gasoline?

THREE—Two punishable offenses must be distinguished—(a) taking without regard for established procedure and (b) taking property with criminal intent.

The company has a procedure for borrowing tools, for taking cinders and other plant property. When the procedure is not followed, disciplinary action is needed, the severity of which depends on the offense. Such factors as simple negligence, excusable ignorance, or intent to comply with the spirit, if not the letter, of the procedure must be taken into account. Failure to follow procedure is not necessarily criminal. Stealing warrants discharge, inefficiency, a lesser penalty. Had Hopkins failed to follow procedure, or was he guilty of actually taking the gasoline with no thought of paying for it?

FOUR—In the present case, criminal intent was not proven beyond a reasonable doubt.

Direct conflict of testimony occurred between the supervisor and the employee over whether the former had indirectly granted permission to take the gasoline. Hopkins claimed that in an emergency he had taken only enough fuel to get him out of the yard and that he had expected to pay for it. The company said there was a gas station nearby which Hopkins could have used. On the other hand, the employee admitted taking the gasoline, and his manner had been open and frank. Had he denied the charge, the case would have broken down, for the company had no proof against him save an anonymous letter. Hopkins' statement that he took the gasoline proves the company's claim that he failed to

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follow procedure for borrowing plant property. It also aids the union's contention that the intent was not criminal.

FIVE—The offense of failure to follow established procedure was clearly proved.

Hopkins' own story convicts him of failure to follow plant procedure for taking company property, whether or not his excuse that he had his supervisor's indirect permission to get the gasoline was correct. He knew the supervisor did not have authority to give him gas; that if the foreman closed his eyes to what he, Hopkins, was doing, the foreman was conniving to violate established procedure. The arbitrator made it clear that he did not say the foreman was guilty of this charge. But he added that in its most favorable light Hopkins' story meant that he and the foreman connived to violate procedure.

SIX—It was established that the offense of taking property without following procedure was committed, but it was not established that the offense of stealing was committed.

Hopkins took the gasoline, said the arbitrator, and that was wrong. But whether he merely failed to follow procedure or really intended to steal is not so clear.

SEVEN—The offense of violating procedure is a serious one but does not warrant discharge under the facts and circumstances of the case; loss of approximately 10 weeks of pay is within the range of reasonableness.

Hopkins was guilty of a flagrant violation of procedure. If what he said was true, after being refused direct permission to get the gasoline, he took it anyway. His allegation that the supervisor had knowledge of his act does not justify it. Disregard of procedure warrants a severe penalty. By reinstating Hopkins without back pay—he had been out 10 weeks—the company will have meted out such a penalty.

EIGHT—This penalty is not inconsistent with management's penalty of two weeks suspension imposed on its foreman.

It was brought out during the hearing that the supervisor involved in the case had been given a two-week lay-off for his part in the affair. The Hopkins case, said the arbitrator, has nothing to do with management's punishment of its own foreman even though some people will compare the 10-week lay-off of the employee with the shorter period of punishment the supervisor received. However, the foreman consistently denied Hopkins' allegations against him. Both men must be presumed innocent until proven guilty. Hopkins admitted guilt for a serious violation of

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denied nocent ion of procedures, and a 10-week loss of pay was his punishment. Therefore the punishment is not inconsistent with the offense. The situation of the supervisor is not at issue, said the arbitrator.

The arbitrator's decision is tightly reasoned and logical. It holds a lesson for all supervisors. They have a tremendous responsibility in a case of this kind, and they must have the ability to analyze facts before they act.

You are a supervisor, and you know that when there is an outbreak of petty theft in a plant, everyone is disturbed. It is hard to remain calm and rational. The tendency is to throw the book at the first person apprehended, in the hope that an example of him will notify other employees they can expect no mercy from management for similar acts.

But it doesn't always work. As a supervisor, you must determine whether or not the employee's act has criminal intent, or if he is simply following a practice that has been tolerated, at least ignored, in the past. In other words, you are management and you cannot afford to lose your head.

SUPERVISOR ADEQUATE?

The supervisor in the Hopkins case does not show up well. If the employee's charge was true, he didn't deserve his rank. Of course, he denied it. So give him the benefit of the doubt.

Why, then, did management punish him? Perhaps the company thought he was negligent on the job; that if he had been carrying out his duties properly no employee would dare to appropriate gasoline, particularly when he had the key.

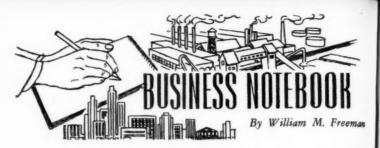
But management must have discounted Hopkins' story entirely. Otherwise it is inconceivable that it would return a foreman so lacking in supervisory capacity to a position of trust even after a punishment.

Theft is one of the most serious offenses that can occur in a manufacturing company. Yet lax supervision can actually encourage it. Without permission an employee goes home with some worn-out equipment. Nobody stops him.

He has not tried to conceal his act so he thinks it's all right. Someone else does the same thing, only this time the equipment is more valuable. Still nothing is said. The next thing you know the employees are walking off with the plant.

Yes, you have got to draw the line somewhere. On borrowing, the place to draw it is at the threshold. The company should establish definite procedures for borrowing. You, as a supervisor, should see that they are followed to the letter. That way nobody is hurt.

(This case is described in the Labor Relations Reporter, August 3, 1955)



HOW LONG DO YOU SUPPOSE it takes to think up a jet plane, make blueprints for the highly technical and complicated equipment it carries. and produce the finished product roaring through the skies?

Seven years is the answer, according to a group of airplane and equipment manufacturers. They discussed the relationship of their industry to their one big customer, the Government, in private talks at an all-jet Air Force Reserve fighter gunnery competition at Casper, Wyo., recently.

The effect of this long spread is that when a jet rolls off the line it is outmoded by others still in the works, even though the new aircraft is the best in existence.

While the country needs more than a few of these planes-and even though others on the way will be taking their place and forcing them onto the scrapheap—there is opposition to appropriation of funds used, in effect, to keep Regular and Reserve Air Force men in trim and to keep suppliers busy on recent technological advances. In order to keep the country in a state of-

COMBAT READINESS

-for whatever the future holds, there should be a full-scale program of building up the Air Force Reserve as a major means of defending the country.

"Our problem in the Reserves is not recruiting people," said Major General Robert J. Browne, who commands the First Air Force, based at Mitchel Field, N.Y. "We can put on a drive and recruit a lot of reservists. Our problem is retaining people. How do we keep these people in the Reserve after we get them in? We need facilities and we need equipment, and if we don't get them we're going to be in trouble."

General Browne's view was backed by Alan F. Thompson, vice-president of the Arma division of American Bosch Arma Corp., maker of jet-

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plane equipment. Mr. Thompson told reservists gathered from all over the country that they were doing an excellent job of training for a small percentage of the defense budget. They could aim—

FOR A BETTER JOB

-if they had more and better equipment, he said in substance.

"What happened after the First and Second World Wars," he said, "can happen again—will happen again, unless we are constantly alert to the danger of presuming too soon that there will be no more wars. Our capacity to prevent war can be starved as readily by inadequate funds to keep equipment modern and competitive as it would be starved if there were too few men trained to use modern equipment effectively."

While it is known that high defense officials are preparing to shift, over the next few years, to a new type of atomic-missile warfare making use of flying atomic-armed soldiers and robot weapons (especially the intercontinental ballistic missile), it is a fact that we cannot survive unless we have trained men, and we cannot have trained men unless we have equipment on which they can train.

The amounts involved are fantastically high, but the alternative would cost even more. The country's gross national product, the value of all goods and services produced, was running—as the second half of the year began—at an annual rate of \$408,000,000,000. There seems to be—

ENOUGH STABILITY

—and substance to warrant an increased investment in holding on to our way of life. In a single day in October, Wright-Patterson Air Force Base in Ohio awarded a \$5,658,594 contract to International Business Machines Corp. for semi-automatic ground equipment, data processing equipment and a contract for more than \$100,000,000 to Lockheed Aircraft Corp. for C-130 Hercules prop-jet military transports. The amounts may be large, but far more is needed. The country can manage defense expenditures and ordinary business and industry, too. Consider—

THE DISTILLERS' PLIGHT

—as an example of what business must contend with to produce goods and services, plus tax payments. Britain has strict import barriers on American whisky. That country will take no more than 30 per cent of the average value of the 1936-38 imports, and distillers here are unhappy over an arbitrary limit on their market in the United Kingdom.

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Britain, meanwhile, seems to be cheerful in the face of short shipments of Scotch whisky to this country, with demand here going up. Charles A Berns, chairman of "21" Brands, Inc., which imports the well-known Ballantine's Scotch, went to Scotland to look over the situation. He reported on his return that consumption is going up faster than production, even though output is being steadily increased.

There are 180,000,000 proof-gallons in warehouses, and world consumption is put at 24,000,000 gallons a year, so that there's enough for eight years. Actually, since no whisky is shipped at less than four years of age, and some is held for more aging, the supply would not last quite that long. With the thought that one of these days the increased output might cause an oversupply that would weaken prices, the Scots are thinking of putting on an American-style advertising campaign to keep demand alive and enlarge it. One of the things they plan to do is put up some of their product in—

DECANTERS

—as has been done for the past few years by distillers here. However, our distillers are going far beyond the original concept of putting the whisky in a handsome container that a drinker would buy for its decorative value and keep. One major company, Publicker Distillers' Products, Inc, which makes a varied line of spirits, is introducing a concept of matched decanters.

It puts up its line in similar decanters, with a generic term such as rye, bourbon, gin, whisky and vodka permanently stamped on in gold letters. On the other side is a conventional label which may be easily removed. A customer buying several of these will have a set of matched decanters with type names in gold for permanent decoration.

This concept is part of an American style of-

COMPETITION

—that has led to major advances in a way of life over the years. The competition taking place in the world arena in power politics is subject to similar influences. If businessmen can think up new products and new ways of distribution, it is not too much to expect that a way will be found to supply week-end fighting men—ready to take up arms at a moment's notice as firemen would answer a call—with the materials and equipment they need

MANAGEMENT QUIZ

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EADERSHIP training fostering L scholarships and intensified civic activity participation have received the concentrated efforts of the Lockheed Management Club of Georgia for the present year with amazing results . . .

As you know, our Management Newsletter which disseminates Management Club information to over 2,900 members has been nominated to receive one of the five top awards for excellence from NMA.

We are also proud to announce that our Junior Achievement activity resulted in having three of eight Lockheed-sponsored teams place in the top ten in Georgia and that one of these three teams placed first nationally. There are 28 members active in Junior Achievement as advisors, liaison representatives as well as the vice-president of Junior Achievement of Georgia, Inc.

Our Scholarship Awards committee has been gratified to learn that several of the award recipients have justified our pride and faith in them by making the bonor roll consistently, some in the critically short field of engineering. Each year we award three \$500 scholarships.

Thus far we have invested over \$5,900 in the educational future of high school youths in our college scholarship program. At the present time nine students who won scholarships granted by our club are currently enrolled in accredited colleges. (Eight award recipients are currently on the honor roll.)

To interest high school students in the aircraft business we donate annually 50 appropriate books on aircraft, engraved with the name of the outstanding senior from each of 50 high schools in the Lockheed family area.

We have inaugurated an indoctrination course to acquaint new members with exactly what management is and does in general and specifically at Lockheed. Our officer training program has been expanded and now includes formal statements of function, duty and responsibility for each officer and committee chairman The training program also includes

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a series of officer exchange visits of one week duration to management clubs in other plants.

We have established a fine educational library for the use of all club members and now have over 150 volumes covering topics ranging from Management Training and Engineering through current best-selling fiction. Our records reveal that over 500 members regularly avail themselves of our library facilities.

From a recent survey it was found that the Georgia Lockheed Management Club had taken civic activities to heart—we had members who were chairmen of 12 major charity drives and over 700 members who were very active in Scouting, Little League, Babe Ruth League, YMCA, the JC's, Toastmasters International and church youth organizations.

We are proud of our achievements thus far this year and feel that our Management Club can truthfully say "Look to Lockheed for Leadership" since we have contributed greatly to this leadership.

David O. Kelly
President,
The Lockheed Management
Club of Georgia

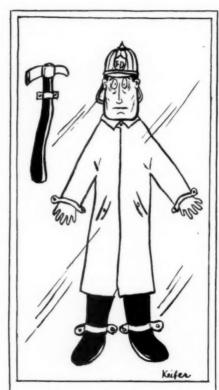
"We expect to continue to contribute to technological progress—and at an accelerated rate. That is the purpose of this great institution—the General Motors Technical Center. The opportunity for dynamic growth lies, as never before, with the creative scientists, the researchers and the inventive engineers who make people dissatisfied with old products by the progress of developing new and better ones."—Harlow H. Curtice, president, General Motors Corp.

The average American worker uses \$12,500 worth of equipment in his job, according to a study published by the Council for Technological Advancement.

Equipment for a farm job takes twice as much investment as for a factory job, and the petroleum and public utility industries outrank all others in capital investment per worker, the Council says.

As a result of better equipment which increases output and reduces prices, the average factory worker in the United States can buy 70 per cent more with a week's wages in 1956 than in 1939 and more than twice as much as in 1930, according to the Council for Technological Advancement.

Last year 19,800 persons in the United States were killed by falls—a rate of 55 fatalities a day. In the nation's industrial operations alone, more than 450,000 workers are temporarily or permanently disabled annually by falls.



IN CASE OF FIRE ~ ~ BREAK GLASS

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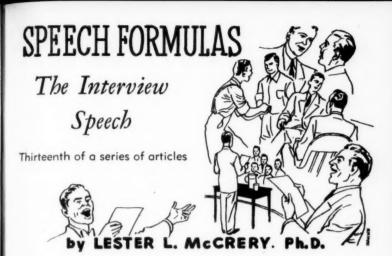
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What is said and how it is said during an interview generally determine the selection of an applicant.

If poor choices are made, time, money, productiveness, and personal satisfactions are lost.

A few guide posts carefully selected will do much to keep interview speaking in the desired channels.

These should be known and observed both by the interviewer and by the person being interviewed.

The first guide post is absolute frankness. This means that both the applicant and the interviewer must accept the responsibility for seeing to it that the position must be filled by an individual well suited to the requirements of the job.

Regardless of his personal needs or feelings, the applicant must face the fact that unless he is clearly fitted for the position, neither he nor anyone else concerned will be contented for very long if he is selected. He must not misrepresent his qualifications.

The interviewer, on the other hand, must see to it that the various aspects of the position are made clear to the applicant. He should point out the current limitations and undesirable phases of the job as well as the desirable ones. Wherever he fails to do so, the applicant should make frank inquiry.

The next guide post is to arrange the setting of the interview so that an atmosphere of *friendliness and* efficiency is established. In general, this is the responsibility of the interviewer.

However, the applicant can also do much here by his own attitudes,

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and by not encouraging the interviewer to talk about unrelated matters. Despite the advice sometimes offered by "human relations experts" that the applicant will succeed if he encourages the interviewer to talk about hobbies and personal problems, such practices defeat the purpose of the interview.

SET STAGE FOR INTERVIEW

The interviewer, in addition to maintaining a pleasant, friendly attitude which is also business-like, should have the stage set so as to make the interview progress in a productive fashion.

The application form of the individual should be filled out in advance, preferably several days earlier, and it should have been looked over carefully before scheduling the interview.

In many cases, where the applicant clearly fails to meet certain specified requirements, an interview would be a waste of time and would create ill will.

During the interview, the interviewer should have the candidate's application form at hand to glance over as a guide in asking certain questions.

In further setting the stage, the interviewer should schedule appointments in such a way that no applicant has to wait longer than an hour to be seen. The recommended time for an interview is approximately 20 minutes.

This means that about three persons per hour, four at most, can be seen. Applicants who are obliged to wait for long periods are usually not in a friendly state of mind when finally ushered into the interviewer's room. This state of mind is frequently converted into hostility if the interview is not successful.

If possible, the interview room should be so situated that the waiting applicants do not overhear the conversations between the interviewer and the persons preceding them.

A final step in setting the stage is the use of some kind of standardized *interview form*. A number of such forms are available on the market.

One of the best is the Employee Evaluation Form For Interviewers published by the Psychological Corporation of New York, N. Y. Such forms permit the quick jotting down of pertinent information. To create informality, the interviewer may say in a friendly, confidential manner, "I'll have to take a few notes to refresh my mind. I hope it won't disturb us, though."

The final guide post is for the interviewer to have a definite number of points to be discussed in sequence.

POINTS TO BE DISCUSSED

Generally, the following three classifications are sufficient:

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occupations the same as or similar to the one being considered;

- 2. The applicant's educational background and training;
- 3. The applicant's personal qualifications, including not only whatever is revealed in the applicant's relations with others in business, home and community activities, but also personal appearance and behavior.

ASK FOR INFORMATION

In opening and guiding the discussion on these various subjects, the interviewer usually begins by asking the applicant for information.

He may say in a friendly manner, "Could you tell me a little about your last experience with this kind of work?" Or, "Did you take part in your company's recreation program?" Or, "Tell me a little more about the training program you took at the vocational school."

All during the interview, the interviewer should be careful not to show approval or disapproval of anything that is revealed.

He should request more information where more is needed, and should beware of temptations to let the discussion get off the subject at hand.

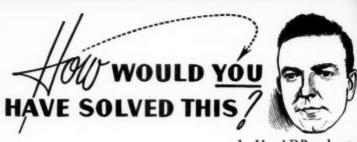
In concluding the interview, it is customary to thank the applicant for coming in and to tell him he will be notified shortly of the decision.

The following guide posts, then, should be set up to maintain successful interviews:

- 1. Absolute frankness on part of the interviewer and the applicant.
- Establish a setting of friendliness and efficiency, with punctuality and careful scheduling adhered to.
- 3. The use of application and standard interview forms, as guides to the interviewer's questions.

Here are the answers to "Management Quiz" on page 57. If you answered all the questions correctly, you are keeping yourself well informed.

- 1—Development of new products in diverse lines.
- 2—Automotive industry, Detroit, Mich.; rubber industry, Akron, O.; insurance, Hartford, Conn.; cereal food, Battle Creek, Mich.
- 3—Seven.
- 4-14,500,000.
- 5—An "ideal" organizational chart is the diagram outlining the best possible organization of a company, but which cannot be put into effect immediately for various reasons.



by Lloyd P. Brenberger

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NOTE: To be considered for \$10 cash awards and certificates of special citation, all solutions to the problem must be postmarked no later than JANUARY 10, 1957. Address your solutions of no more than 500 words to Editor, MANAGE, 321 West First Street, Dayton 2, Ohio.

PROBLEM No. 10

TIME OFF FOR UNION MEETING

The labor agreement of the Rablec Co. includes a clause relative to granting time off for union officers to conduct union business. Les, the foreman of the maintenance department, feels that this clause has been abused for a long time and is anxious to correct it. The contract states that regularly scheduled time will be allowed to conduct union affairs. The problem arises when the union requests time off to handle its affairs without adequate notice. Les has had to juggle work loads to permit this since two of the officers are from his department. There have always been good relations between the union and the company and Les would like to handle the correction as discreetly as possible. What would you suggest?

(Remember the deadline: January 10, 1957)

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THIS WAS SUPERVISORY PROBLEM No. 7

Some grievances seem extremely ridiculous. Larry, a foreman at a large milling machine company, had one of them recently.

The company's labor contract included an escalator clause tied in with the Bureau of Labor's Cost-of-Living Index. The latest figures indicated that the employees should receive a one-cent-an-hour raise. However, the same day the raise came through an unfortunate thing happened. Purely by coincidence, all prices in the plant cafeteria were increased one cent arms the board.

One of Larry's men filed a grievance insisting that although the company had given the employees the raise, it had taken it right back through the cafeteria. How would you answer this one?

THE WINNERS

The following are the best solutions to the supervisory problem No. 7. The winners have received checks for \$10 each and a handsome two-color Merit Award certificate suitable for framing.

GOOD SELLING JOB

By J. Herbert Bradley, Hussmann Refrigerator Co., Brantford, Ontario, Canada.

This grievance is one of the kind that doesn't seem to have an answer based on contract. However, it is tied to the contract through the escalator clause. Had there been no increase in the Cost-of-Living Index, there would have been no one cent increase in the hourly rate, also the cafeteria prices would not have been increased except for the higher cost of living as shown by the Index.

The answer seems to demand a good selling job on the part of Larry to convince the employees of these facts. Larry should prepare his case thus:

- Get figures from the cafeteria management showing the reasons for the increase. I am assuming the cafeteria is being operated on a non-profit basis by the company. Also he should get some comparative prices paid in similar cafeterias.
- Based on the number of employees using the service, estimate how much the increased prices would increase the cafeteria revenue.
- Based on the number of employees affected by the increased hourly rate, estimate how much the increased pay would amount to.
- 4. Point out the difference in favor of the employees plus the assurance that the

Professor Brenberger, who writes the problem for "How Would You Have Solved This?" and judges the entries of contestants, is head of the Department of Industrial Engineering of the University of Dayton. He is a graduate of the General Motors Institute and has had wide experience in industrial relations and engineering. In recent years he served as a project supervisor for a secret Air Force and Navy research program. He spends part of his free time conducting a specialized management development training course, which he organized for Air Force reserve officers.

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cafeteria service would be maintained at the present acceptable standard.

He would have a great opportunity to point out the sometimes-forgotten fact that hourly increases cause the Cost-of-Living Index increases. Also, he could point out that the automatic escalator increase saves wages formerly lost during negotiation shut-downs.

In spite of the fact that the cost of living has risen, the employee is not being penalized because the automatic increase has kept him from loss of income and the service he now enjoys at the cafeteria will not be curtailed.

This whole effect to convince the employee should be presented in a way that he will feel like a shareholder being advised of the protection of his interests.

EXPLAIN INDEX

By J. J. Welsh, Westinghouse Electric Corp., Buffalo, New York.

In answering this grievance, it gave Larry, the foreman, a grand opportunity to present some real facts to the union. He could tell them that for the Bureau of Labor's Cost-of-Living Index, price figures from over 40 small, medium, and large towns and cities are collected as the basis for monthly reports. Checks are made on prices of at least 300 kinds of goods and services purchased by average families. Individual reports are procured from 20 of the largest cities.

Sampling covers general family expenses from bread to beauty treatments, from aspirin to shoes, from soap to drinks, clothing, gasoline, tobacco, rents, home maintenance repairs, haircuts, doctors, dentists, televisions, automobiles, etc. Entertainment and transportation expenses are included, and all of these prices are checked monthly.

Over 100 checkers cover 2000 food stores and 4000 other stores and business establishments. The Cost-of-Living Index is now 117, or 17 per cent higher than the base period of 1947-1949.

The above facts should convince all of us that the continuance of this spiral gets nowhere fast. The price increase of one cent in the cafeteria was purely coincidental and not done deliberately. Our main concern should be: How can we stop increasing prices?

PURELY SELFISH?

By Harry T. Piedra, PAA Management Club, Miami, Florida

It seems to me that insofar as the company was concerned, it compiled with its part of the labor contract and, if by an unfortunate coincidence "all prices in the plant cafeteria were increased one cent across the board," this did not give Larry's man any legitimate cause to file a grievance, especially without doing some honest investigating. From all indications, it appears that he failed to do so and acted inconsequentially.

Apparently, the prices of food at the plant cafeteria had not been increased before for some time, which leads one to believe that they were in line with the regular wages of the employees. It might be further assumed that increases in wages had been given to the covered personnel during that time.

Yet, in spite of that, there was Larry's man who was trying to pull a fast one with the idea of getting even with the company, of attracting attention and of obtaining recognition from his fellowworkers.

Thus he gave vent to his emotional instability, and in so doing tried his best to have the company appear as irresponsible and unreliable. In fact, he seemed to be playing the role of a martyr in his effort to salvage the one cent raise for himself with the help of his fellowworkers and at their expense. His motives were purely selfish.

Furthermore, he had overlooked the fact that there was no law that compelled any of the covered personnel to eat at the company cafeteria. This, in itself, amounted to three strikes against him.

EUROPE LEARNS ABOUT PROFITS ...

O With the other fellow's way of life.

One of the important results of World War II could be the interest which socialist-minded Europe has developed in the American profit system

-providing that system is properly understood.

The competent British observer, Barbara Ward, recently wrote an article for the New York Times Magazine entitled, "A Fresh Look At The Profit Motive," in which she reported that "profound changes are taking place in the direction of Socialist thinking in Europe," and that "there is a growing readiness to admit the various roles which profit plays in any enterprise."

So far so good, but at this point the reader begins to observe the difficulty of transplanting an idea from one soil to another when Miss Ward continues her report, "Profit covers managerial costs. It includes the costs of deprecia-

tion and the cost of raising new capital."

As most Americans know, profit does none of these things.

Here, in a capsule, is what Europe should understand about profit: just as payroll is the amount collected from the customer on behalf of the employees (including executives); just as taxes are the amount collected from the customer on behalf of government; just as depreciation is the amount collected from the customer to replace the tools as they wear out; profit is the amount collected from the customer on behalf of the people who provide the tools.

In other words, profit is the cost of using the tools and nothing else.

It is the payment of this cost that makes American industry so progressive.

The necessity to collect this payment from the free customer is what makes American industry so efficient.

The opportunity to make savings earn money is what makes so many Americans willing to practice the self-denial that must precede the investment in tools.

Miss Ward states that if the "profit motive" had been called "avoidance of loss," it would have been more readily accepted.

Here again the prime purpose of profit is confused: if people merely wanted to avoid loss they would put their money in a safe deposit box.

But the American investor risks his savings because he is convinced that they will grow, and he is not ashamed of wanting as large a profit as the tools can honestly earn.

Call it greed, avarice, or what you will, this way of life has developed an economy in which 95 per cent of the work is done by the tools and 85 per cent of the product goes to the workers who use the tools.

If that is what Europe really wants, the profit motive must be allowed to exert its full power and must be recognized as a decent and respectable institution.

—by Fred G. Clark and Richard S. Rimanoczy

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